

Joint Standing Committee on Utilities and Energy

LD 224 **An Act Regarding Charges Assessed against Owners of Sprinkler Systems** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAMPBELL	ONTP	

LD 224 proposed to prohibit a water utility from charging customers with private fire protection systems, such as sprinklers, rates to recover the utility's backup capacity costs; the bill proposed to require the rates be based on water usage.

LD 1732 **An Act to Provide Choice to Maine's Electricity Customers** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAREY	ONTP	

LD 1732 was one of 5 bills introduced in 1997 in the 1st Regular Session that proposed a restructuring of the electric utility industry. One of the bills, LD 1804, was used as the vehicle for restructuring legislation developed by the committee and adopted by the Legislature in 1997 (see summary of LD 1804 in the bill summaries for the 1st Regular and 1st Special Sessions of the 118th); of the other 4 bills, 3 were killed. This bill, LD 1732, was carried forward as a vehicle for dealing with the issue of securitization. Securitization is a financing method proposed by utilities as a means of reducing the overall cost of stranded cost recovery. While this bill was killed, the committee dealt with other restructuring-related issues in other bills (see LDs 1935 and 2285).

LD 1788 **An Act to Require Notice to Telephone Subscribers of the Sale or Transfer of an Interexchange Carrier or a Change in Rates** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BUNKER	ONTP	

LD 1788, which was carried forward from 1st Regular and 1st Special Session, proposed to require a provider of interexchange telephone services to notify customers 30 days before a sale or transfer of ownership or a change in rates.

LD 1906

An Act Clarifying the Public Service Corporation Exception

PUBLIC 576

Sponsor(s)
CAREY

Committee Report
OTP-AM

Amendments Adopted
S-450

LD 1906 proposed to provide that the exception for public service corporations to the laws regarding licensing of electricians includes electrical installations made on facilities owned by a customer.

Committee Amendment "A" (S-450) proposed that public service corporations are exempt from electrician licensing requirements when making installations used to connect the electric utility supply system to service entrance conductors, other than installations of mobile home service equipment.

Enacted law summary

Public Law 1997, chapter 576 provides that public service corporations are exempt from electrician licensing requirements when making installations used to connect the electric utility supply system to service entrance conductors. The exemption does not apply to installations of mobile home service equipment.

LD 1912

An Act to Amend the Charter of the Guilford-Sangerville Water District to Increase the Bond Authorization

**P & S 61
EMERGENCY**

Sponsor(s)
JONES SL

Committee Report
OTP-AM

Amendments Adopted
H-793

LD 1912 proposed to increase the debt limit of the Guilford-Sangerville Water District from \$1,500,000 to \$1,700,000. It also proposed to allow the water district to increase its debt limit by referendum vote without further legislative authorization in the same manner as standard water districts are authorized to increase their debt limits.

Committee Amendment "A" (H-793) proposed technical changes to the bill.

Enacted law summary

Private and Special Law 1997, chapter 61 increases the debt limit of the Guilford-Sangerville Water District from \$1,500,000 to \$1,700,000. It also allows the water district to increase its debt limit by referendum vote without further legislative authorization in the same manner as standard water districts are authorized to increase their debt limits. Chapter 61 was enacted as an emergency measure effective March 5, 1998.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAREY	OTP-AM	S-457

LD 1925 proposed to deallocate salary savings from unfilled positions and, by bringing forward unencumbered balances, increase funding for additional consulting costs of the Public Utilities Commission related to the implementation of both federal and state legislative requirements involving electric, telecommunications and gas utility industries.

Committee Amendment "A" (S-457) proposed to replace the bill and provide the following:

1. Permit the Public Utilities Commission to assess utilities an additional \$635,000 in the 1997-98 fiscal year, which was the amount the commission reduced its assessment as a result of surplus it carried forward from the 1995-96 fiscal year;
2. Allocate the \$635,000 additional assessment and \$369,000, which is surplus from the 1996-97 fiscal year, or a total of \$1,004,000, to fund consulting costs associated with the commission's increased workload; and
3. Deallocate \$250,000 from the elimination of 4 positions at the commission and salary savings from 3 vacant positions and reallocate this money to fund consulting costs associated with the commission's increased workload.

Enacted law summary

Public Law 1997, chapter 586

1. Permits the Public Utilities Commission to assess utilities an additional \$635,000 in the 1997-98 fiscal year, which was the amount the commission reduced its assessment as a result of surplus it carried forward from the 1995-96 fiscal year;
2. Allocates the \$635,000 additional assessment and \$369,000, which is surplus from the 1996-97 fiscal year, or a total of \$1,004,000, to fund consulting costs associated with the commission's increased workload; and
3. Deallocates \$250,000 from the elimination of 4 positions at the commission and salary savings from 3 vacant positions and reallocates this money to fund consulting costs associated with the commission's increased workload.

Chapter 586 was enacted as an emergency measure effective March 9, 1998.

LD 1926

**An Act to Provide Additional Time for the Public Utilities
Commission to Adopt Certain Rules**

**PUBLIC 569
EMERGENCY**

<u>Sponsor(s)</u> CAREY	<u>Committee Report</u> OTP	<u>Amendments Adopted</u>
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LD 1926 proposed to extend the time within which the Public Utilities Commission must adopt rules creating any exemption from the requirement that telephone utilities obtain approval from the commission before providing service in the State.

Enacted law summary

Public Law 1997, chapter 569 extends the time within which the Public Utilities Commission must adopt rules creating any exemption from the requirement that telephone utilities obtain approval from the commission before providing service in the State. Chapter 569 was enacted as an emergency measure effective February 25, 1998.

LD 1935

An Act Regarding Electric Utilities

PUBLIC 710

<u>Sponsor(s)</u> KONTOS	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-984
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LD 1935 proposed to provide express authorization for investor-owned electric utilities to transfer, in accordance with the divestiture requirements of the electric industry restructuring law, good title to generation assets acquired pursuant to state law.

Committee Amendment "A" (H-984) proposed to replace the bill. This amendment proposed to create a definition of "excluded electric plant" which in turn would result in a change in the definition of "electric utility". Under this amendment, ownership of excluded electric plant would not cause an entity to be considered an electric utility or to be subject to regulation as an electric utility under the Maine Revised Statutes, Title 35-A. Prior to March 1, 2000, "excluded electric plant" would include generators used to produce energy sold at wholesale, small power producers, cogenerators, electric generation enterprises and self generators. After February 29, 2000, "excluded electric plant" would include all generation assets, other than assets held by an electric utility, thereby largely deregulating generation service.

The amendment proposed to grant a limited authorization to electric utilities to transfer certain rights, privileges or immunities that have been granted by law to the electric utilities. The amendment proposed to limit the authorization as follows.

1. No authorization would be given if there were an express provision in law denying authorization to transfer the rights, privileges or immunities.
2. If by law the rights, privileges or immunities may only be transferred upon condition, the condition would have to be met.
3. The authorization would include only those rights, privileges and immunities that are generation assets or that are necessary to the ownership or operation of generation assets required by law to be divested.

4. The authorization would be conditioned on the utility providing the law granting the right, privilege or immunity to the Public Utilities Commission and the commission making a written finding that the law does in fact grant rights, privileges or immunities that are generation assets or that are necessary to the ownership or operation of generation assets required to be divested.
5. The authorization would not exempt an electric utility from complying with other requirements of law, including obtaining Public Utilities Commission approval for the transfer of the assets.
6. The authorization would not extinguish or affect any lawful rights, privileges or immunities that any person, entity or the public may have in any property held or transferred by an electric utility.
7. The authorization would not permit the sale or transfer of any right of eminent domain and any right of eminent domain held by an electric utility would terminate upon the divestiture of assets to which the right relates.

Enacted law summary

Public Law 1997, chapter 710 grants a limited authorization to electric utilities to transfer certain rights, privileges or immunities that have been granted by law to the electric utilities which the utilities are required by law to divest.

The law also creates a definition of "excluded electric plant." Under this definition, ownership of excluded electric plant does not cause an entity to be considered an electric utility or to be subject to regulation as an electric utility under the Maine Revised Statutes, Title 35-A. Prior to March 1, 2000, "excluded electric plant" includes generators used to produce energy sold at wholesale, small power producers, cogenerators, electric generation enterprises and self generators. After February 29, 2000, "excluded electric plant" includes all generation assets, other than assets held by an electric utility, thereby largely deregulating generation service.

LD 1937

An Act to Restore the Requirement That Certain Expenditures of the Waldoboro Utility District Be Approved by District Vote

**P & S 60
EMERGENCY**

Sponsor(s)
SPEAR

Committee Report
OTP

Amendments Adopted

LD 1937 proposed to restore language to the Waldoboro Utility District charter that requires any single expenditure in excess of \$100,000 be approved by district vote. This language was removed by P&SL 1997, chapter 18.

Enacted law summary

Private and Special Law 1997, chapter 60 restores language to the Waldoboro Utility District charter that requires any single expenditure in excess of \$100,000 be approved by district vote. Chapter 60 was enacted as an emergency measure effective March 5, 1998.

LD 1957

An Act to Amend the Charter of the Sanford Sewerage District

P & S 74

Sponsor(s)
MACKINNON

Committee Report
OTP-AM

Amendments Adopted
S-499

LD 1957 proposed to amend the charter of the Sanford Sewerage District to allow the district to establish pretreatment standards and other regulations necessary for it to comply with Federal Clean Water Act requirements and to impose special civil and criminal penalties for violations of these. The bill also proposed to increase the indebtedness of the district from \$2,000,000 to \$4,000,000.

Committee Amendment "A" (S-499) proposed the following:

1. To delete provisions providing for special penalties; penalties under existing laws would be applicable;
2. To add a provision allowing the district to establish new debt limits by referendum; and
3. To make certain corrections and clarifications in the wording of the bill.

Enacted law summary

Private and Special Law 1997, chapter 74 amends the charter of the Sanford Sewerage District to allow the district to establish certain pretreatment standards and other regulations necessary for it to comply with Federal Clean Water Act requirements. The law increased the district's debt limit to \$4,000,000 and allows the district to set higher debt limits pursuant to a referendum procedure.

LD 1960

An Act to Amend and Clarify Laws Concerning Nuclear Safety

**PUBLIC 686
EMERGENCY**

Sponsor(s)
KILKELLY
PEAVEY

Committee Report
OTP-AM

Amendments Adopted
S-578

LD 1960 proposed to alter certain definitions in law to provide that regulations and standards that applied to operating nuclear power plants continue to apply to a plant undergoing decommissioning.

Committee Amendment "A" (S-578) proposed:

1. To decrease the annual registration fee for a nuclear power plant from \$100,000 to \$25,000 in fiscal year 1998-99 and to eliminate the fee thereafter;
2. To increase the annual fee paid by a nuclear power plant to the Health and Environmental Testing Laboratory from \$90,000 to \$122,000 in fiscal year 1997-98. These funds would cover costs incurred in the purchase of equipment related to the decommissioning;
3. To require the Maine Yankee Atomic Power Company to reimburse the Department of Environmental Protection for costs incurred by the department related to the decommissioning of the plant, but to cap the reimbursement at \$70,000 in fiscal year 1997-98 and \$100,000 in fiscal year 1998-99; and
4. To add an emergency preamble, emergency clause and allocations to the bill.

Enacted law summary

Public Law 1997, chapter 686 alters certain definitions in law to provide that regulations and standards that apply to operating nuclear power plants continue to apply to a plant undergoing decommissioning. The law also

1. Decreases the annual registration fee for a nuclear power plant from \$100,000 to \$25,000 in fiscal year 1998-99 and eliminates the fee thereafter (some or all of this lost revenue will be made up from increased fees administratively imposed on other licensees of the Department of Human Services);
2. Increases the annual fee paid by a nuclear power plant to the Health and Environmental Testing Laboratory from \$90,000 to \$122,000 in fiscal year 1997-98. These funds will cover costs incurred in the purchase of equipment related to the decommissioning; and
3. Requires the Maine Yankee Atomic Power Company to reimburse the Department of Environmental Protection for costs incurred by the department related to the decommissioning of the plant, but caps the reimbursement at \$70,000 in fiscal year 1997-98 and \$100,000 in fiscal year 1998-99.

Chapter 686 was enacted as an emergency measure effective April 3, 1998.

LD 1985

An Act to Amend the Charter of the Bath Water District

**P & S 64
EMERGENCY**

Sponsor(s)
MAYO
SMALL

Committee Report
OTP-AM

Amendments Adopted
H-794

LD 1985 proposed to increase the annual stipend for members of the Board of Trustees of the Bath Water District from \$500 to \$1,200.

Committee Amendment "A" (H-794) proposed to replace the substance of the bill and remove reference in the charter of the Bath Water District to trustee compensation. The methodology for establishing and changing trustee compensation is established pursuant to the Maine Revised Statutes, Title 35-A, section 6401, subsection 2 and section 6410, subsection 7. This amendment proposed to remove any confusion created by old residual language in the charter of the Bath Water District relating to trustee compensation that is void pursuant to these provisions of Title 35-A.

Enacted law summary

Private and Special Law 1997, chapter 64 removes any confusion created by old residual language in the charter of the Bath Water District relating to trustee compensation that is void pursuant to Maine Revised Statutes, Title 35-A, section 6401, subsection 2 and section 6410, subsection 7. Chapter 64 was enacted as an emergency measure effective March 5, 1998.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAVERDIERE	OTP-AM	H-803

LD 1987 proposed to amend the criteria used by the Public Utilities Commission in determining the terms under which a utility may refinance a contract with a qualifying facility pursuant to the Rate Stabilization Program. The bill also proposed to increase the time in which the commission must make its determination from 60 days to 120 days.

Committee Amendment "A" (H-803) proposed to preserve that portion of the bill that increased the time in which the Public Utilities Commission may issue or deny a certificate of approval for an electric rate stabilization agreement. The amendment proposed to replace the portion of the bill dealing with the standard of review used by the commission in making its decision. Under this amendment, the commission would be required to find that the agreement would provide substantial net benefits to ratepayers of the utility and would be required to deny a certificate if it concluded that alternative arrangements providing greater net benefits to ratepayers were reasonably likely to be available to the utility.

Enacted law summary

Public Law 1997, chapter 593 increases the time in which the Public Utilities Commission may issue or deny a certificate of approval for an electric rate stabilization agreement. The law changes the standard of review used by the commission in making its decision: The commission must find that the agreement will provide substantial net benefits to ratepayers of the utility and must deny a certificate if it concludes that alternative arrangements providing greater net benefits to ratepayers are reasonably likely to be available to the utility.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLUKEY MICHAUD	OTP-AM	H-826

LD 1989 proposed to allow the Houlton Water Company to provide fiber-optic cable telecommunications service. It also proposed to authorize Houlton Water Company to provide natural gas service.

Committee Amendment "A" (H-826) proposed that the Houlton Water Company may not take the property of another public utility used in providing service to the public or in performing a public duty unless the Public Utilities Commission finds that the taking is in the public interest.

Enacted law summary

Private and Special Law 1997, chapter 67 allows the Houlton Water Company to provide fiber-optic cable telecommunications service and natural gas service. The law provides that the Houlton Water Company may not take the property of another public utility used in providing service to the public or in performing a public duty unless the Public Utilities Commission finds that the taking is in the public interest.

LD 1990**An Act to Amend the Charter of the Bingham Water District****P & S 63**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DEXTER MILLS	OTP-AM	H-791

LD 1990 proposed to extend the territorial limits of the Bingham Water District.

Committee Amendment "A" (H-791) proposed to add a mandate preamble and a fiscal note to the bill.

Enacted law summary

Private and Special Law 1997, chapter 63 extends the territorial limits of the Bingham Water District.

LD 2003**An Act to Clarify and Enhance Certain Municipal Powers
Regarding Solid Waste Disposal****PUBLIC 602
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL J MURRAY	OTP-AM	H-822

LD 2003 proposed to authorize towns, counties, refuse districts and other quasi-municipal districts to form a regional association that could

1. Enter into solid waste disposal agreements with an incinerator facility;
2. Acquire ownership interests in an incinerator facility that serves the members of the association; and
3. Serve as the agent of the members in matters related to the purpose of the association.

Committee Amendment "A" (H-822) proposed to provide that:

1. A regional association must be operated as a nonprofit organization;
2. The directors of the association must be elected by the members of the association;
3. Upon dissolution of the association, title to the association's property vests in member municipalities; and
4. An association may have more than one class of members, if so provided in the bylaws.

Enacted law summary

Public Law 1997, chapter 602 authorizes towns, counties, refuse districts and other quasi-municipal districts to form a regional association that may

LD 2025

**An Act to Reduce Technical Violations of Maine's Laws Regarding
the Protection of Underground Utilities**

PUBLIC 631

Sponsor(s)
HARRIMAN
JONES SL

Committee Report
OTP-AM

Amendments Adopted
S-507

LD 2025 proposed to exclude the Department of Transportation, the Maine Turnpike Authority and minor civil divisions from civil penalties for certain violations of the State's "dig safe" laws.

Committee Amendment "A" (S-507) proposed to replace the bill. The amendment proposed to provide for the issuance of annual written clearances by the "dig safe system," which would allow excavators to undertake excavations in clearly identified areas in which no underground facilities are located. Such clearances could be revoked or modified if new underground facilities were proposed for the area for which clearance had been issued.

Enacted law summary

Public Law 1997, chapter 631 provides for the issuance of annual written clearances by the "dig safe system," which will allow excavators to undertake excavations in clearly identified areas in which no underground facilities are located. Such clearances may be revoked or modified if new underground facilities are proposed for the area for which clearance has been issued.

LD 2029

**An Act to Amend the Charter of the Van Buren Light and Power
District**

P & S 68

Sponsor(s)
PARADIS
SIROIS

Committee Report
OTP-AM

Amendments Adopted
S-470

LD 2029 proposed to allow the Van Buren Light and Power District to provide fiber-optic cable service.

Committee Amendment "A" (S-470) proposed the following:

1. To clarify that the Van Buren Light and Power District's authorization to provide fiber-optic cable telecommunications services is limited to its current territorial limits;
2. To provide that the district may not take the property of another public utility used in providing service to the public or in performing a public duty unless the Public Utilities Commission finds that the taking is in the public interest.

Enacted law summary

Private and Special Law 1997, chapter 68 allows the Van Buren Light and Power District to provide fiber-optic cable service in its service territory. The law also provides that the district may not take the property of another

LD 2025

**An Act to Reduce Technical Violations of Maine's Laws Regarding
the Protection of Underground Utilities**

PUBLIC 631

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARRIMAN JONES SL	OTP-AM	S-507

LD 2025 proposed to exclude the Department of Transportation, the Maine Turnpike Authority and minor civil divisions from civil penalties for certain violations of the State's "dig safe" laws.

Committee Amendment "A" (S-507) proposed to replace the bill. The amendment proposed to provide for the issuance of annual written clearances by the "dig safe system," which would allow excavators to undertake excavations in clearly identified areas in which no underground facilities are located. Such clearances could be revoked or modified if new underground facilities were proposed for the area for which clearance had been issued.

Enacted law summary

Public Law 1997, chapter 631 provides for the issuance of annual written clearances by the "dig safe system," which will allow excavators to undertake excavations in clearly identified areas in which no underground facilities are located. Such clearances may be revoked or modified if new underground facilities are proposed for the area for which clearance has been issued.

LD 2029

**An Act to Amend the Charter of the Van Buren Light and Power
District**

P & S 68

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PARADIS SIROIS	OTP-AM	S-470

LD 2029 proposed to allow the Van Buren Light and Power District to provide fiber-optic cable service.

Committee Amendment "A" (S-470) proposed the following:

1. To clarify that the Van Buren Light and Power District's authorization to provide fiber-optic cable telecommunications services is limited to its current territorial limits;
2. To provide that the district may not take the property of another public utility used in providing service to the public or in performing a public duty unless the Public Utilities Commission finds that the taking is in the public interest.

Enacted law summary

Private and Special Law 1997, chapter 68 allows the Van Buren Light and Power District to provide fiber-optic cable service in its service territory. The law also provides that the district may not take the property of another

public utility used in providing service to the public or in performing a public duty unless the Public Utilities Commission finds that the taking is in the public interest.

LD 2043

An Act to Preserve Certain Electric Utility Billing Arrangements until Competition is Implemented

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAVERDIERE	ONTP	

LD 2043 proposed to rewrite a provision of the law enacted during the First Regular Session of the 118th Legislature known as the "electric industry restructuring" law. The provision had the apparent effect of abrogating a net billing requirement applicable to electric utility arrangements with very small qualifying facilities. The requirement appears in Public Utilities Commission rules that implement the Maine Revised Statutes, Title 35-A, chapter 33. This bill proposed to reinstate the right of small qualifying facilities to sell power to electric utilities under net billing arrangements until the advent of retail competition, which will occur on March 1, 2000. The Public Utilities Commission addressed the issue raised by this bill in Chapter 360 of its rules, adopted March 10, 1998.

LD 2076

An Act to Require Certain Utilities to Report Transfers of Assets

DIED BETWEEN BODIES

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEAL	OTP-AM MAJ	
CAREY	ONTP MIN	

LD 2076 proposed to require all public utilities to report transfers of any property funded in any manner from rate-payer funds. The bill proposed to require the commission to assess the value of these assets and to take this value into account in any determinations of stranded cost recovery.

The bill also proposed to require the commission to determine the amount and circumstances of all similar transfers that have occurred since the beginning of 1990 and to take these into account in determining stranded costs.

Committee Amendment "A" (H-906), which was the majority report of the Joint Standing Committee on Utilities and Energy, proposed to replace the bill and

1. To require investor-owned electric utilities to provide to the Public Utilities Commission written notice of transfers occurring after January 1, 1992 of significant interests in property financed or managed in any manner with rate-payer funds; and
2. To require the first notice of transfers occurring between January 1, 1992 and January 1, 1998 to occur within 30 days of the effective date of the Act.

LD 2083

**An Act Relative to the Jurisdiction of the Public Utilities
Commission over Nonutility Attachments to a Public Utility Plant**

ONTP

Sponsor(s)
KONTOS

Committee Report
ONTP

Amendments Adopted

LD 2083 proposed to require the Public Utilities Commission to adopt the formula of the Federal Communications Commission for the resolution of pole attachment rate disputes.

LD 2093

**An Act Relating to the Protection of Maine Consumers in the
Telecommunications Market**

**PUBLIC 702
EMERGENCY**

Sponsor(s)
JONES K
CAREY

Committee Report
OTP-AM

Amendments Adopted
H-959

LD 2093 proposed to prohibit the industry practice of "slamming," which involves the change of a consumer's telecommunications carrier without the consumer's prior authorization. The bill also proposed to authorize the Public Utilities Commission to adopt rules to supplement the slamming prohibition and to otherwise protect telecommunications consumers from deceptive practices in the telecommunications market. The bill proposed penalties for slamming and for any other similar activity prohibited by the commission by rule.

Committee Amendment "A" (H-959) proposed to replace the bill. The amendment proposed the following:

1. To provide protections against unauthorized changes of a customer's local or intrastate carrier ("slamming");
2. To require the Public Utilities Commission to adopt implementing rules consistent with rules of the Federal Communications Commission;
3. To allow the Public Utilities Commission to impose administrative penalties, to establish guidelines for the imposition of these penalties and to establish a cap on the amount of the penalty that may be imposed; and
4. To require a customer to pay the intrastate carrier from which the customer was illegally switched the carrier's charges for the customer's usage during the time the customer was served by an unauthorized carrier; the commission would be authorized to provide that the customer is not responsible for these charges if the Federal Communications Commission provides that customers are not responsible for the charges of interstate carriers during the time the customer was served by an unauthorized interstate carrier.

Enacted law summary

Public Law 1997, chapter 702 prohibits "slamming" (the unauthorized change of a consumer's telecommunications carrier). The law authorizes the Public Utilities Commission to adopt rules on slamming that are consistent with rules of the FCC. The law specifies penalties for slamming. Chapter 702 was enacted as an emergency measure effective April 3, 1998.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KONTOS CAREY	OTP-AM	H-908

LD 2094 proposed the following:

1. To authorize the Public Utilities Commission to approve multi-year rate plans for gas utilities similar to plans presently in effect for electric and telephone utilities;
2. To permit a utility to be organized as any legal entity allowed under state law and to update language in the Maine Revised Statutes, Title 35-A, chapters 21 and 23 by amending sections to pertain to all public utility companies, not just those utilities organized under general state corporate law; and
3. To make the provisions of the bill apply retroactively to filings pending or made on or after January 1, 1998.

Committee Amendment "A" (H-908) proposed to preserve those portions of the bill that clarify that entities that are not corporations may be utilities. The amendment proposed to remove the portions of the bill that relate to multi-year rate plans. The amendment proposed the following:

1. To add an emergency preamble and emergency clause to the bill;
2. To amend provisions of law relating to the cost-of-gas adjustment clause; these changes would permit the Public Utilities Commission to approve cost-of-gas adjustments that are rate-class specific and that include costs associated with facilities used to produce or store gas;
3. To permit the Public Utilities Commission to establish alternative rate-making mechanisms and flexible rate plans for gas utilities; and
4. To provide that costs incurred by a gas utility after March 1, 1998, other than costs beyond the control of the utility, that are made unrecoverable as a result of competition or deregulation may not be borne by ratepayers.

See LD 2160; certain concepts in this amendment were proposed in that bill.

Enacted law summary

Public Law 1997, chapter 707 clarifies that entities that are not corporations may be utilities. The law also does the following.

1. It amends provisions of law relating to the cost-of-gas adjustment clause. These changes permit the Public Utilities Commission to approve cost-of-gas adjustments that are rate-class specific and that include costs associated with facilities used to produce or store gas.
2. It permits the Public Utilities Commission to establish alternative rate-making mechanisms and flexible rate plans for gas utilities.

3. It provides that costs incurred by a gas utility after March 1, 1998, other than costs beyond the control of the utility, that are made unrecoverable as a result of competition or deregulation may not be borne by ratepayers.

Chapter 707 was enacted as an emergency measure effective April 3, 1998.

LD 2134

An Act Related to the Service Territory of the Kennebunk Light and Power District

**P & S 72
EMERGENCY**

Sponsor(s)
MURPHY
LAFOUNTAIN

Committee Report
OTP-AM

Amendments Adopted
H-921

LD 2134 proposed to exempt from Public Utility Commission approval the extension of service by the Kennebunk Light and Power District to certain areas in the Town of Kennebunk.

Committee Amendment "A" (H-921) proposed to allow Kennebunk Light and Power District to provide electric service to the Kennebunk, Kennebunkport and Wells Water District provided that the water district pay to Central Maine Power Company an amount determined by the Public Utilities Commission to be a reasonable allocation of Central Maine Power Company's stranded costs.

Enacted law summary

Private and Special Law 1997, chapter 72 allows Kennebunk Light and Power District to provide electric service to the Kennebunk, Kennebunkport and Wells Water District provided that the water district pays to Central Maine Power Company an amount determined by the Public Utilities Commission to be a reasonable allocation of Central Maine Power Company's stranded costs. Chapter 72 was enacted as an emergency measure effective March 30, 1998.

LD 2160

An Act to Encourage Customer Choice and Competitive Rates for Natural Gas

ONTP

Sponsor(s)
KONTOS
PENDLETON P

Committee Report
ONTP

Amendments Adopted

LD 2160 proposed to repeal the current requirement that cost-of-gas adjustment rates be uniform to all gas utility customers and to permit the Public Utilities Commission to approve a rate-class-specific cost-of-gas adjustment rate that includes the costs of gas purchases, other costs directly related to the gas purchased and cost-of-facilities used to produce and store gas.

The bill also proposed to authorize the creation of a distribution adjustment clause under which a gas utility may apply to the commission to recover prudently incurred costs that are not included in its base rates or cost-of-gas adjustment.

See LD 2094.

LD 2175

An Act Relating to the Debt Limit of the Limerick Water District

**P & S 75
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCALEVEY LIBBY	OTP-AM	H-872

LD 2175 proposed to remove the current debt limit of the Limerick Water District.

Committee Amendment "A" (H-872) proposed to replace the substance of the bill. This amendment proposed to increase the debt limit of the Limerick Water District from \$200,000 to \$1,000,000 and provide that the district may further increase its debt limit by the referendum process established for Standard Water Districts.

Enacted law summary

Private and Special Law 1997, chapter 75 increases the debt limit of the Limerick Water District from \$200,000 to \$1,000,000 and provides that the district may further increase its debt limit by the referendum process established for Standard Water Districts. Chapter 75 was enacted as an emergency measure effective March 31, 1998.

LD 2204

An Act to Extend the Electric Rate Stabilization Program

**PUBLIC 781
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAREY	OTP-AM	S-505

LD 2204 proposed to resolve conflicting statutory provisions: It proposed to clarify that the amount of the moral obligation of the State that may be pledged to support electric rate stabilization projects is \$330,000,000.

The bill proposed to extend the period during which certificates of approval may be issued for electric rate stabilization projects from February 1, 1998 to July 31, 1998.

Committee Amendment "A" (S-505) proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 781 resolves conflicting statutory provisions: It clarifies that the amount of the moral obligation of the State that may be pledged to support electric rate stabilization projects is \$330,000,000.

The law extends the period during which certificates of approval may be issued for electric rate stabilization projects from February 1, 1998 to July 31, 1998. Chapter 781 was enacted as an emergency measure effective April 16, 1998.

LD 2208

**An Act to Encourage the Development of Small Distributed
Generation Technologies That Reduce Pollution**

ONTP

<u>Sponsor(s)</u> KONTOS	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 2208 proposed:

1. To deregulate generators using small distributed generation technologies (defined as generators with less than 250 kilowatts of capacity at any one site and resulting in a net reduction of air emissions within the New England region);
2. To obligate electric and transmission and distribution utilities in the State to wheel power generated by small distributed generation technologies or by generators using renewable resources, if that power is being used to provide backup service for small distributed generation technologies; and
3. To establish the rates for the required wheeling.

LD 2209	Resolve, Regarding Legislative Review of Chapter 302: Consumer Education Program; Electric Restructuring, a Major Substantive Rule of the Public Utilities Commission	RESOLVE 99 EMERGENCY
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<u>Sponsor(s)</u>	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-948
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LD 2209 provided for legislative review of Chapter 302: Consumer Education Program; Electric Restructuring, a major substantive rule of the Public Utilities Commission.

Committee Amendment "A" (H-948) proposed to authorize the Public Utilities Commission to finally adopt its standard offer rule, provided the rule were amended to require the commission to consider the recommendations of the advisory board in developing and implementing the consumer education program.

Enacted law summary

Resolve 1997, chapter 99 authorizes the Public Utilities Commission to finally adopt its standard offer rule, provided the rule is amended to require the commission to consider the recommendations of the consumer advisory board in developing and implementing the consumer education program. Chapter 99 was enacted as an emergency measure effective March 30, 1998.

LD 2214	An Act to Repeal the Laws Governing the Jackman Water District and the Jackman Sewer District	P & S 69
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LD 2214

**An Act to Repeal the Laws Governing the Jackman Water District
and the Jackman Sewer District**

P & S 69

Sponsor(s)

Committee Report
OTP

Amendments Adopted

LD 2214 proposed to repeal the laws governing the Jackman Water District and the Jackman Sewer District. The Jackman Water District and the Jackman Sewer District were merged to create the Jackman Utility District pursuant to Private and Special Law 1997, chapter 30. This bill would complete the merger process.

Enacted law summary

Private and Special Law 1997, chapter 69 repeals the laws governing the Jackman Water District and the Jackman Sewer District. The Jackman Water District and the Jackman Sewer District were merged to create the Jackman Utility District pursuant to Private and Special Law 1997, chapter 30. This law completes the merger process.

LD 2220

**Resolve, Regarding Legislative Review of Chapter 301: Rules for
Standard Offer Service, a Major Substantive Rule of the Public
Utilities Commission**

**RESOLVE 100
EMERGENCY**

Sponsor(s)

Committee Report
OTP-AM

Amendments Adopted
H-913

LD 2220 provided for legislative review of Chapter 301: Standard Offer Service, a major substantive rule of the Public Utilities Commission.

Committee Amendment "A" (H-913) proposed to authorize the Public Utilities Commission to finally adopt its standard offer rule provided the rule were amended to provide that transmission and distribution utilities are held harmless for prudently incurred costs associated with being required to provide standard offer service in the event of a default by a standard offer service provider.

Enacted law summary

Resolve 1997, chapter 100 authorizes the Public Utilities Commission to finally adopt its standard offer rule provided the rule is amended to provide that transmission and distribution utilities are held harmless for prudently incurred costs associated with being required to provide standard offer service in the event of a default by a standard offer service provider. Chapter 100 was enacted as an emergency measure effective March 30, 1998.

LD 2221

An Act to Amend the Charter of the Ogunquit Sewer District

P & S 78

LD 2221 proposed to authorize the citizens of the Town of Ogunquit by referendum to dissolve the Ogunquit Sewer District and establish a town sewerage department.

Committee Amendment "A" (H-947), which was the majority report of the Joint Standing Committee on Utilities and Energy, proposed to replace the bill. The amendment proposed to provide a mechanism for the recall by special election of trustees of the Ogunquit Sewer District for misfeasance, malfeasance or nonfeasance in office. This provision mirrors the provision currently in law governing Sanitary Districts. This amendment also proposed to permit the voters of the district to petition to have the trustees hold a special meeting. The voters of the district at the special meeting could hold a vote during the special meeting, but the result of the vote would be non-binding on the trustees of the district.

House Amendment "A" to Committee Amendment "A" (H-1046) proposed to strike the emergency preamble and the emergency clause from the bill.

Enacted law summary

Private and Special Law 1997, chapter 78 provides a mechanism for the recall by special election of trustees of the Ogunquit Sewer District for misfeasance, malfeasance or nonfeasance in office. This amendment also provides that the voters of the district may petition to have the trustees hold a special meeting. The voters of the district at the special meeting may hold a vote during the special meeting, but the result of the vote is not binding on the trustees of the district.

LD 2237	Resolve, Regarding Legislative Review of Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, a Major Substantive Rule of the Public Utilities Commission	RESOLVE 113
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<u>Sponsor(s)</u>	<u>Committee Report</u>		<u>Amendments Adopted</u>	
	OTP-AM	MAJ	H-956	
	OTP-AM	MIN	H-960	COLWELL
			S-592	CLEVELAND

LD 2237 provided for legislative review of Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, a major substantive rule of the Public Utilities Commission.

Committee Amendment "A" (H-956), which was finally adopted, was the majority report of the Joint Standing Committee on Utilities and Energy and proposed to authorize the Public Utilities Commission to finally adopt its rule, Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, provided that the rule were amended as follows:

1. Provisions relating to the calculation of the value of good will used by an affiliate were modified to require the Public Utilities Commission to establish for an initial 3-year period an annual amount that must be paid by the affiliate for the use of good will; to require the Public Utilities Commission to reexamine the value of the good will at the end of the initial 3-year period and establish an amount that must be paid by the affiliate for the use of good will for the next 3 years; and, at the end of 6 years, to establish that the value of good will is zero;

2. Provisions relating to limitations on investments by utilities in affiliates were modified to allow investments by a utility in a regulated affiliate if the utility has not obtained an investment grade bond rating or has filed for a temporary rate increase within 6 months of the utility's filing for approval of the investment, if the utility obtains approval pursuant to the Maine Revised Statutes, Title 35-A, sections 707 and 708; and
3. Provisions were inserted to allow utilities whose bonds are neither publicly rated nor rated by a private letter bond rating to make investments in affiliates if approved by the Public Utilities Commission pursuant to the Maine Revised Statutes, Title 35-A, section 707 and 708.

Committee Amendment "B" (H-957), which was not finally adopted, was the minority report of the Joint Standing Committee on Utilities and Energy and proposed to authorize the Public Utilities Commission to finally adopt its rule, Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, provided that the rule were amended in the same manner as described in the majority report except that provisions relating to the calculation of the value of good will used by an affiliate were modified to provide that

1. Charges for the use of good will could continue past the 6-year period but the presumption of the value of good will used by the affiliate would stop at the end of the 6-year period; and
2. Parties would be permitted to present evidence on whether payments for good will should continue past the 6-year period and, if so, what the amount of payments should be.

House Amendment "A" (H-960), which was finally adopted, proposed to remove the emergency preamble and the emergency clause from the resolve.

Senate Amendment "A" to Committee Amendment "A" (S-592), which was finally adopted, proposed to require the Public Utilities Commission to amend its major substantive rule regarding requirements for non-core utility activities and transactions between affiliates to provide that the provisions related to the use of a utility's good will by an affiliate of the utility apply to affiliates created on or after September 19, 1997. This amendment proposed only to require the affiliate to pay for the value of the good will it uses on a going-forward basis and not require it to make any additional payments for the use of good will made prior to the effective date of the rule.

Enacted law summary

Resolve 1997, chapter 113 authorizes the Public Utilities Commission to finally adopt its rule, Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, provided that the rule is amended as follows:

1. Provisions relating to the calculation of the value of good will used by an affiliate are modified to require the Public Utilities Commission to establish for an initial 3-year period an annual amount that must be paid by the affiliate for the use of good will; to require the Public Utilities Commission to reexamine the value of the good will at the end of the initial 3-year period and establish an amount that must be paid by the affiliate for the use of good will for the next 3 years; and, at the end of 6 years, to establish that the value of good will is zero;
2. Provisions related to the use of good will by an affiliate are made to apply to affiliates created on or after September 19, 1997; affiliates are required to pay only for the value of the good will it uses on a going-forward basis and is not required to make any additional payments for the use of good will made prior to the effective date of the rule;

1. Provisions relating to limitations on investments by utilities in affiliates are modified to allow investments by a utility in a regulated affiliate if the utility has not obtained an investment grade bond rating or has filed for a temporary rate increase within 6 months of the utility's filing for approval of the investment, if the utility obtains approval pursuant to the Maine Revised Statutes, Title 35-A, sections 707 and 708; and
2. Provisions are inserted to allow utilities whose bonds are neither publicly rated nor rated by a private letter bond rating to make investments in affiliates if approved by the Public Utilities Commission pursuant to the Maine Revised Statutes, Title 35-A, section 707 and 708.

LD 2267

An Act to Amend the Charter of Great Northern Paper, Inc.

P & S 71

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MICHAUD CLARK	OTP	

LD 2267 proposed to grant to Great Northern Paper, Inc. the authority to continue furnishing electricity to the existing Millinocket mill facilities after the sale of the Millinocket mill facilities to a 3rd party. Provision of this electrical service would not be regulated.

Enacted law summary

Private and Special Law 1997, chapter 71 grants to Great Northern Paper, Inc. the authority to continue furnishing electricity to existing Millinocket mill facilities after the sale of the Millinocket mill facilities to a 3rd party. Provision of this electrical service is exempt from regulation by the Public Utilities Commission.

LD 2277

An Act to Implement the Recommendations of the Majority of the Joint Standing Committee on Utilities and Energy Arising from Its Government Evaluation Act Review of the Office of the Public Advocate

**PUBLIC 719
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP MAJ	H-963 JONES K S-613 CLEVELAND

LD 2277, which was the majority report of the Joint Standing Committee on Utilities and Energy pursuant to its Government Evaluation Act review of the Office of the Public Advocate, proposed supplemental funding for the Office of the Public Advocate to fund salary increases for the Public Advocate and the Public Advocate's staff and to cover costs of consultants and expert witnesses to handle cases at the Public Utilities Commission involving electric industry restructuring and telephone utility regulation and at the Public Utilities Commission and the Federal Energy Regulatory Commission involving issues related to Maine Yankee Nuclear Power Plant decommissioning.

See LD 2278 for a discussion of the minority report.

House Amendment "A" (H-963) proposed to add a fiscal note to the bill.

Senate Amendment "B" (S-613) proposed to authorize unspent funds in the Public Advocate Regulatory Fund for fiscal year 1996-97 to be carried forward in their entirety for use in fiscal year 1997-98. This provision was in the Supplemental Budget but was moved into this bill when it was determined that the Supplemental Budget would not be passed as an emergency.

This amendment also proposed to reduce by \$50,000 the amount of the allocation to the Office of the Public Advocate proposed in the bill for fiscal year 1998-99.

Enacted law summary

Public Law 1997, chapter 719 authorizes unspent funds in the Public Advocate Regulatory Fund for fiscal year 1996-97 to be carried forward in their entirety for use in fiscal year 1997-98 and provides supplemental funding to the Office of the Public Advocate. Chapter 719 was enacted as an emergency measure effective April 7, 1998.

LD 2278

An Act to Implement the Recommendations of the Minority of the Joint Standing Committee on Utilities and Energy Arising from its Government Evaluation Act Review of the Office of the Public Advocate

DIED IN CONCURRENCE

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP MIN	

LD 2278, which was the minority report of the Joint Standing Committee on Utilities and Energy pursuant to its Government Evaluation Act review of the Office of the Public Advocate, proposed supplemental funding to the Office of the Public Advocate to fund salary increases for the Public Advocate and the Public Advocate's staff and to cover costs of consultants and expert witnesses to handle cases at the Public Utilities Commission involving electric industry restructuring and at the Public Utilities Commission and the Federal Energy Regulatory Commission involving issues related to Maine Yankee Nuclear Power Plant decommissioning. The funding level proposed was \$50,000 less than that proposed in the majority report (see LD 2277). This reduced amount was ultimately adopted by floor amendment to the majority report.

LD 2285

An Act Relating to Electric Industry Restructuring

PUBLIC 691 EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
		S-617 HARRIMAN

LD 2285, which was reported by the Joint Standing Committee on Utilities and Energy pursuant to its authority under Public Law 1997, chapter 316, section 12, proposed the following.

1. To require Public Utilities Commission advisory staff and consultants to be subject to cross examination and discovery;
2. To requires the Public Utilities Commission, on the request of any party, to assign separate staff to rule on motions made by or directed to staff advisors;
3. To establish new standards for and limitations on the issuance of protective orders by the Public Utilities Commission;
4. To extend the deadline by which the Public Utilities Commission must select a standard-offer service provider from July 1, 1999 to December 1, 1999;
5. To exempt the Public Utilities Commission from the provisions of the Maine Revised Statutes, Title 5, section 1831 in conducting the competitive bidding process for choosing standard-offer service providers; and
6. To authorize the Public Utilities Commission to impose a special assessment on electric utilities to fund a consumer education program with respect to electric utility restructuring.

Senate Amendment "A" (S-617) proposed to provide for temporary exemptions from the licensing requirements for these utility employees who are hired by the buyers of these generation facilities and who continue to work in generation facilities. Electric utility employees working in generation facilities owned by the electric utilities are currently exempt from certain occupational licensing requirements. Under current law, electric utilities are required to divest these generation facilities

Enacted law summary

Public Law 1997, chapter 691:

1. Requires Public Utilities Commission advisory staff and consultants to be subject to cross examination and discovery; this provision applies to pending proceedings;
2. Requires the Public Utilities Commission, on the request of any party, to assign separate staff to rule on motions made by or directed to staff advisors; this provision applies to pending proceedings;
3. Establishes new standards for and limitations on the issuance of protective orders by the Public Utilities Commission; this provision applies to pending proceedings except that proceedings involving divestiture of generation assets by electric utilities are exempt from these new standards and limitations;
4. Extends the deadline by which the Public Utilities Commission must select a standard-offer service provider from July 1, 1999 to December 1, 1999;
5. Exempts the Public Utilities Commission from the provisions of the Maine Revised Statutes, Title 5, section 1831 in conducting the competitive bidding process for choosing standard-offer service providers;
6. Authorizes the Public Utilities Commission to impose a special assessment on electric utilities to fund a consumer education program with respect to electric utility restructuring; and

1. Provides limited exemptions from certain licensing requirements for electric utility employees. Utility employees working in generation facilities owned by the electric utilities are currently exempt from certain occupational licensing requirements. Under current law, electric utilities are required to divest these generation facilities. This amendment provides temporary exemptions from the licensing requirements for these utility employees who are hired by the buyers of these generation facilities and who continue to work in generation facilities. These exemptions are repealed on March 1, 2000.

Chapter 691 was enacted as an emergency measure effective April 3, 1998.

LD 2288

An Act Regarding Telecommunications Regulation

PUBLIC 692

Sponsor(s)

Committee Report

Amendments Adopted

LD 2288, which was reported by the Joint Standing Committee on Utilities and Energy pursuant to its authority under Public Law 1997, chapter 276, section 6, proposed to amend the laws relating to affordable telephone service. The bill proposed to require the Public Utilities Commission to establish rules to achieve state universal service goals and to permit the commission to establish a universal service program in which intrastate providers of telecommunications services would be required to contribute to a state universal service fund. These rules and any universal service requirements established by the commission would be required to be consistent with the federal Telecommunications Act of 1996.

Enacted law summary

Public Law 1997, chapter 692 amends the laws relating to affordable telephone service. The law requires the Public Utilities Commission to establish rules to achieve state universal service goals and permits the commission to establish a universal service program in which intrastate providers of telecommunications services would be required to contribute to a state universal service fund. These rules and any universal service requirements established by the commission must be consistent with the federal Telecommunications Act of 1996.

LD 2297

An Act Relating to the Taxation of Certain Federal Entities, the Business Equipment Tax Reimbursement Program, the Administration of the Tax Laws and to Make a Technical Correction

PUBLIC 729

Sponsor(s)

Committee Report

Amendments Adopted

LD 2297 was not referred to the Utilities and Energy Committee. However, a portion of the bill relates to utility issues; that portion is included here.

Part B of the bill proposed to clarify and limit the eligibility of natural gas pipelines and certain electric generation facilities for reimbursement under the so-called Business Equipment Tax Reimbursement program or BETR. The bill proposed

1. To clarify that natural gas pipelines would not be eligible for BETR (short spurs owned by a business customer would be eligible);
2. To provide that a facility “used to produce or transmit energy primarily for sale” would not be eligible for BETR (“energy primarily for sale” means that less than 1/3 of the useful energy is used on site).
3. To provide that a facility that uses at least 1/3 of the useful energy on site is partially eligible for BETR. The reimbursement would only apply to that fraction of the property taxes that equals the fraction of the total energy produced at the facility that is used on-site.

Enacted law summary

Public Law 1997, chapter 729 provides that natural gas pipelines and certain property used in the production or generation of electricity are not eligible for reimbursement for taxes paid on certain business property.